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E-Filed May 25, 2006

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:)	BK-S-06-10725-LBR
	)	Chapter 11
USA COMMERCIAL MORTGAGE COMPANY)	
Debtor)	
In re:	)	BK-S-06-10726-LBR
	)	Chapter 11
USA CAPITAL REALTY ADVISORS, LLC,)	
Debtor)	
In re:	)	BK-S-06-10727-LBR
	)	Chapter 11
USA CAPITAL DIVERSIFIED TRUST DEED)	
FUND, LLC,)	
Debtor)	
In re:	)	BK-S-06-10728-LBR
	)	Chapter 11
USA CAPITAL FIRST TRUST DEED FUND,)	
LLC,)	
Debtor)	
In re:	)	BK-S-06-10729-LBR
	)	Chapter 11
USA SECURITIES, LLC,)	
Debtor)	
Affects:)	
<input checked="" type="checkbox"/> All Debtors)	
<input type="checkbox"/> USA Commercial Mortgage Co.)	
<input type="checkbox"/> USA Securities, LLC)	
<input type="checkbox"/> USA Capital Realty Advisors, LLC	)	DATE: 6-5-06
<input type="checkbox"/> USA Capital Diversified Trust Deed	)	TIME: 9:30 AM
<input type="checkbox"/> USA First Trust Deed Fund, LLC)	

LIMITED OPPOSITION TO APPLICATION BY THE OFFICIAL COMMITTEES TO
EMPLOY STUTMAN, TREISTER & GLATT, P.C. AND SHEA AND CARLYON, LTD.

COME NOW STANLEY ALEXANDER TRUST; DRS. STANLEY ALEXANDER and
FLORENCE ALEXANDER; PATRICK DAVIS; SUSAN DAVIS; FIRST SAVINGS BANK,
CUSTODIAN FOR PATRICK DAVIS IRA; GRABLE B. RONNING; THE WILD WATER
LIMITED PARTNERSHIP; CROSBIE B. RONNING; and THE BOSWORTH 1988 FAMILY
TRUST; SPECTRUM CAPITAL, LLC, STEPHEN PHILLIPS; FRANCES PHILLIPS; PHILLIPS
FAMILY TRUST DATED OCTOBER 24, 1989; MATTHEW MOLITCH; MARILYN
MOLITCH; MOLITCH 97 TRUST; NANCY GOLDEN; CHURCH OF THE MOVEMENT OF
SPIRITUAL INNER AWARENESS; MARK R. CAMPBELL; HANS J. PRAKELT; DR.
CAROLE TALAN; RICHARD WILLIAMS; NORMA DEULL; MARTIN LEAF; MARK OLDS;
SALLY OLDS; JEROME BLOCK; CHARMA BLOCK, WOLF DIETER VOSS; CLAUDIA
VOSS; VOSS FAMILY TRUST; ROBIN B. GRAHAM, CELIA ALLEN-GRAHAM; GRAHAM
FAMILY TRUST DATED 10/26/78; PAMELA MARTON; JAMES DICKINSON; JEFF
KARR; PHYLLIS KARR; PATRICIA A. PONTAK; DARRELL M. WONG; PONTAK WONG
REVOCABLE TRUST DATED JAN. 19, 2004; JAMES R. CIELEN; and JAMES R.
CIELEN, IRA; by and through their attorney, ROBERT C. LEPOME, ESQ., and hereby
files their Opposition to Application by the Official Committees to Employ Stutman,

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Treister & Glatt, P.C. (Document #280) and Shea & Carlyon, Ltd. (Document #303).

This Opposition is based upon the Points and Authorities attached hereto.

Robert C. LePome, Esq.

/s/ Robert C. LePome, Esq

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POINTS AND AUTHORITIES

As to Qualifications

Opposing parties are very familiar (through their counsel) with the qualifications of Shea and have no Opposition to their appointment as Local Counsel.

Opposing parties (through their counsel) have limited information as to the qualifications of Stutman, but it appears that they are well qualified.

As to Fee Structure

Opposing parties are familiar with the fee structure of Shea and subject to the Court's usual review of any fee application and given the typical break-out of allocation of fees among all employees, the opposing parties do not oppose said fee structure per se but the right to review and, if appropriate, file objections at the fee application stage.

Opposing parties are less familiar with the fee structure of Stutman. Opposing parties believe that the higher fees do not denote higher performance than the superb

work-produce of Shea, but are more likely a product of the higher costs of living in Los Angeles, California than in Las Vegas, Nevada. This higher cost of living is about 25% measured by most common standards. It would appear that the rent at an office located on the 12th Floor of the Avenue of the Stars, Los Angeles, California and other costs are not things that should be passed onto the Debtors. The fees should be reduced 25% across the board. Objecting parties have a vested interest in the Estate of the Debtors from which the fees will be paid because the objecting parties may have claims against the Debtor for Malfeasance, Breach of Fiduciary Duty and/or Breach of Contract and to the extent that the Debtor's Estate is depleted by Administrative Expenses, the pool available to pay any such claims is reduced.

As to Sources of Payment

The Application of Stutman states at page 3, lines 11-13 that the Debtors "continue to operate their businesses". This is incorrect. There are no new loans being made. The primary revenue is essentially absent. The scope of employment is for appearances in Bankruptcy Court and the Offices of the U.S. Trustee only. See page 9, lines 20-24. The Application of Stutman is also clear that the compensation is to come only from the Debtors' Estate. See page 10, lines 9-20 which also acknowledges that the approval of the employment does not indicate court approval of the fee structure.

The Application of Shea states that it "proposes to bill the estate" at page 9, line 27. The Conclusion at page 11, lines 18-19 states they seek "compensation and

expense reimbursement to be paid as an administrative expense in such amounts as this Court may hereafter determine and allow". Presumably the person who would be solely liable for any and all fees and any reimbursement would be the Debtor's Estates.

The Source of Funds Should be Expressly Limited to the Debtor's
Estates in Any Order of Approval

Shea is very much aware that this Court often approves fees for which there is no source, or an inadequate source for compensation. Indeed, Shea recently represented Consolidated Mortgage in the case of In Re Coke Maggie, LLC, BK-S-05-17482-LBR which represented Direct Investors very similar to those herein with a similar power of attorney and similar service agreement. There, like here, Robert C. LePome, Esq. represented a specific lender. Debtor's Counsel sought fees of \$39,955.72. After the Direct Lenders removed their property, the amount of assets of the Debtor were essentially "0". The only fees which Debtor's counsel collected was the pre-petition retainer. The fact situation is identical in our case except that the numbers are larger. It is absolutely essential that the fee applicants confirm and that the Court Order that only the amount in the Debtors' Estates (and none of the Direct Lenders' funds) will be subject to any fee application.

It would appear to be only a matter of a month or two before the Direct Lenders elect to relieve Debtor of its collection duties. Indeed, one investor who owns 58% has already so moved. He will take his collection to U.S. Loan Services this month.¹

¹It would appear that Stutman and Shea will be ethically obligated to assist me and other attorneys in obtaining the 51% needed to move their client's collections. At least they should file no objections when the time comes.

With no servicing fees and the unlikely prospect that the Commissioner of Mortgage Lending will license the Debtors for any future activity, Stutman and Shea have to understand that to a large extent they will be uncompensated. "Doing the Lord's Work" is something that we all have done and apparently Stutman and Shea have volunteered for what is likely to be a largely uncompensated endeavor.

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CERTIFICATE OF SERVICE

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by electronic service on the 25th day of May, 2006 and to the following by regular
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